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UNCLAS SECTION 01 OF 02 ISTANBUL 000263

C O R R E C T E D COPY - ADDING SENSITIVE CAPTION

SENSITIVE  
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TAGS: [ECIN](#) [PREL](#) [TU](#)  
SUBJECT: UNDP SEEKS U.S. SUPPORT FOR BSEC PROJECTS

REF: A. ISTANBUL 105  
    [1](#)B. 07 ISTANBUL 892  
    [1](#)C. 07 ISTANBUL 854

ISTANBUL 00000263 001.2 OF 002

[1](#)1. (SBU) Summary. UNDP Business Development Advisor Lovita Ramguttee is seeking USG support for UNDP's on-going business development work with the organization for Black Sea Economic Cooperation (BSEC) as well as for possible future initiatives. She provided background information on UNDP's on-going work with BSEC as well as new initiatives. Ramguttee, who is based in BSEC headquarters, stressed the particular need to engage in capacity building efforts with the BSEC Permanent International Staff (PERMIS) as a foundation for engaging in projects with the institution itself. She also proposed cooperating on a renewable energy symposium similar to the environmental protection symposium the USG and BSEC organized in 2007. End Summary

UNDP-BSEC Agreement on Cooperation  
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[1](#)2. (U) Istanbul-based UNDP Black Sea Trade and Investment Promotion Program Liaison Officer Lovita Ramguttee explained the formal BSEC-UNDP relationship began in 2007 when UNDP Administrator Kemal Dervis and the BSEC Secretary General signed an Agreement on Cooperation between UNDP and BSEC. Although Ramguttee described the content and focus of the agreement as "very general," she noted certain areas were highlighted in the agreement as areas of particular interest for potential projects to be promoted and implemented jointly within the Agreement framework. The areas include: poverty reduction, regional integration, capacity building, good governance, gender equality, crisis prevention and recovery, information & communication technology for development, energy and environment as well as the catchall category other areas of mutual interest. According to Ramguttee, UNDP is present in all 12 BSEC member states and is currently exploring with BSEC further opportunities for regional projects in the thematic areas cited above. She highlighted UNDP Assistant Administrator Kori Udovicki's statement during the April Council of Foreign Ministers meeting in Kyiv describing the six priority areas in UNDP's strategy for the Black Sea

region: private sector development, environment, institution strengthening, trade integration, forging partnerships and cultural heritage.

#### Black Sea Trade and Investment Promotion Program (BSTIP)

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¶3. (U) The Black Sea Trade and Investment Promotion Program (BSTIP) is a joint initiative co-financed by the Governments of Turkey and Greece, BSEC and UNDP Ramguttee explained. The BSTIP program is funded for three years (2007 - 2009) with a total budget of 1,250,000 euros and covers all 12 BSEC member states. UNDP has a BSTIP program management office in Athens as well as a liaison unit located at the BSEC headquarters in Istanbul. The program aims to expand intra-regional trade and build investment links in the region. The target beneficiaries are small and medium enterprises (SMEs), with a focus on those run by women and young entrepreneurs. The program is also designed to provide capacity building for sub-regional/national business support organizations which are essential partners in the implementation of the program.

¶4. (U) The BSTIP program includes a series of trade and investment partnership fora focusing on products and services for which there is potential intra-regional trade and attractive investment opportunities. The first partnership forum, focusing on the packaging sector (Black Sea Pack), will be hosted in Istanbul by the Istanbul Chamber of Commerce on June 18-19. This event will bring together SMEs from the packaging sector from all 12 BSEC member states. Future seminars on topics including WTO implications and requirements to access EU markets for specific products are in the planning stages.

¶5. (SBU) According to Ramguttee UNDP would be delighted if the United States could financially assist the BSTIP program enabling UNDP to expand the scope of the activities (i.e. to

ISTANBUL 00000263 002 OF 002

additional product categories) as well as increasing the number of SMEs from the region able to participate.

#### Future Initiatives / Proposals

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¶6. (SBU) Ramguttee is currently working on two proposals she hopes outside donors such as the USG would be able to support. The first is a project that would strengthen the BSEC project development fund (PDF) mechanism; the second is a project on renewable energy.

¶7. (SBU) As noted in previous reporting, the BSEC PDF is woefully underfunded and not terribly effective (see ref A for details.) The project Ramguttee envisions would include a training seminar on project management, technical assistance for the management and operations of the PDF, promotion of the PDF through a donor meeting, professionalizing the PDF website, etc and training on resource mobilization. Resource mobilization training could be particularly useful as BSEC is now eligible for official development assistance from OECD DAC members (ref B).

¶8. (SBU) The renewable energy project appears to be similar in audience and scope to the symposium on environmental protection for economic development jointly carried out by the USG and BSEC in 2007 (ref C). The goal of this project would be to raise awareness of alternative sources of energy in BSEC countries as well as to provide a forum for the sharing of best practices on renewable energy.

#### Action Request

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¶9. (SBU) Throughout our conversation with Ramguttee we underscored our inability to make any sort of commitment on behalf of the USG. Ramguttee was well aware of these

constraints but asked that we refer her suggestions to Washington for comment and consideration. Istanbul requests guidance on how to respond to UNDP's overture regarding cooperation with the existing BSTIP program. If Washington is interested Istanbul could attend all or part of the June 18-19 Black Sea Pack forum and report observations regarding the seminar itself as well as the experience of the Istanbul Chamber of Commerce with which we have a close working relationship. We also request guidance concerning possible future cooperation with on the two projects briefly outlined in paras 7 and 8.

OU DKIRK